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STATE FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A

TAGS: [AU](#) [ETTC](#) [KOMC](#) [KS](#)

SUBJECT: RESPONSE TO BLUE LANTERN LEVEL 3 LICENSE 05-0055232

REF: A) STATE 00007844

11. Per reftel, post contacted the Defense Acquisition Program Administration (DAPA) by phone and fax.

12. On January 30, 2008, Major Kim Jung Min, responsible for Basic Ordering Agreements on the DAPA Contracts Team, and Mr. Son Young Baek, President of First Trading (an agent of the AVL International in Korea), informed post that both their organizations understood that the U.S. seller is AVL International not Merex. Based on the information collected, Post believes (but was unable to confirm) that Merex is the manufacturer of the licensed goods. Moreover, DAPA and First Trading indicated they believe AVL and Merex are the same company.

13. Based on the information collected by post, the transaction chain for the parties involved is as follows:

Merex Inc (U.S. manufacturer) -> AVL International (U.S. seller) -> First Trading in Korea (Sales agent for AVL International in Korea, intermediary for these transactions) -> DAPA (Foreign Consignee) -> ROKAF (End-user)

14. Finally, DAPA reported that it has not yet received the ordered spare parts for the ROKAF's Lynx helicopters due to a delay by AVL International's supplier. A letter sent to DAPA from AVL International states that the delay is due to "a previously-placed government order" that its supplier must fill before DAPA's order. The shipment is now scheduled to arrive in Korea on April 17, 2008.

15. Requested documentation to follow by email to PM/DTCC - Tim Watkins

VERSHBOW